

California Gambling Control Commission
2399 GATEWAY OAKS DRIVE, SUITE 220
SACRAMENTO, CA 95833
(916) 263-0700 FAX (916) 263-0499
www.cgcc.ca.gov

**MINUTES OF THE JULY 25, 2019
COMMISSION MEETING**

OPEN SESSION

1. Call to Order and Pledge of Allegiance.

Chairman Evans called the meeting to order at 10:00 a.m., and asked everyone to stand for the Pledge of Allegiance.

2. Roll Call of Commissioners.

Roll Call of Commissioners was taken with Chairman Jim Evans, Commissioner Paula LaBrie, Commissioner Gareth Lacy, and Commissioner Trang To present.

3. Approval of Commission Meeting Minutes for:
 - A. May 30, 2019 – Commission Meeting
 - B. June 14, 2019 – GCA Hearing

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Commission Meeting Minutes for May 30, 2019, and GCA Hearing Minutes for June 14, 2019.

Executive Director Stacey Luna Baxter announced that the Commission and Bureau will be conducting information sessions throughout California. The registration for the information sessions have been mailed out and are also on the Commission website. The information session is to assist applicants, designated agents, HR staff, the Cardrooms, Third Parties, as well as our tribal entities through the application and background process specifically focusing on problem areas for applicants where confusion exists. The first training session will be in August in Sacramento. The Commission and Bureau will also provide training in LA, San Diego, and San Jose.

Chairman Evans expressed approval and thanked Commission and Bureau staff for taking part in this program.

4. Revenue Sharing Trust Fund Final Report for Distribution to Eligible Recipient Indian Tribes for Quarter Ending June 30, 2019 - Quarterly License Revenue Received and Shortfall (Pursuant to Government Code section 12012.75)

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the distribution payments as listed in the reports.

5. Consideration of A) Transfer of Shares and B) Initial State Gambling License (Pursuant to Business and Professions Code sections 19904, 19850, 19851 and 19852; CCR, Title 4, sections 12054 and 12342):

- A. Commerce Casino: California Commerce Club, Inc.
Lowell Thomas Murray II, (Transferor)
Lowell T. Murray III Revocable Living Trust For CCC
Stock, (Transferee)
James M. Murray Revocable Living Trust For CCC
Stock, (Transferee)
Elizabeth L. Mirante Revocable Living Trust for CCC
Stock, (Transferee)

Comments Received From:

Elijah Zuniga, Designated Agent, in person

Chairman Evans asked Designated Agent Zuniga if his clients understand and accept the conditions to be placed on the transfer of shares.

Designated Agent Zuniga confirmed his clients accepted and understood the conditions.

Action:

Upon motion of Commissioner LaBrie, seconded by Chairman Evans, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Transfer of Shares with the conditions noted below:

1. **Legend on Stock Certificate.** *A copy of the certificate(s) evidencing the shares to be transferred was not provided to the Bureau. Approval of the contemplated transfers should be conditioned upon Mr. Murray's estate and each transferee confirming in writing to the Commission, with a copy to the Bureau, within 15 days after the transfer of any portion of the shares, that each and every certificate evidencing the shares transferred has been legended in accordance with the provisions of Business and Professions Code section 19882, subdivision (c).*
2. **Additional Legend on Stock Certificate.** *Business and Professions Code section 19904 voids any purported sale or other disposition of a security issued by a corporate licensee that the Commission did not approve in advance. Approval of the contemplated transactions should*

be conditioned upon Mr. Murray's estate and each transferee confirming in writing to the Commission, with a copy to the Bureau, within 15 days after the transfer of any portion of the shares, that each and every certificate evidencing the shares transferred includes the following legend:

THIS CERTIFICATE REPRESENTS SHARES OF STOCK ISSUED BY A CORPORATION THAT HOLDS A GAMBLING LICENSE PURSUANT TO THE LAWS OF THE STATE OF CALIFORNIA. THE STOCK MAY NOT BE TRANSFERRED, ASSIGNED, SOLD, PLEDGED, HYPOTHECATED, OR DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA GAMBLING CONTROL COMMISSION OR ITS SUCCESSOR.

3. **Reference to Gambling Control Act.** *Approval of the contemplated transactions should be conditioned upon Lowell Murray III, James Murray, and Elizabeth Mirante all confirming, in writing to the Commission, with a copy to the Bureau, within 15 days after the final transfer of shares, that each of the trusts has been amended to add a provision stating, in substance:*

The Trust intends to, and may, hold interests in California Commerce Club, Inc. The trustee and any successor trustee shall take all actions necessary to ensure compliance, and shall comply, with all applicable laws of the State of California relating to the ownership, administration, and disposition of such interests and the income derived therefrom, including, without limitation, the licensing, registration, and approval requirements of Business and Professions Code sections 19851, 19852, subdivision (e), 19882, and 19904, the regulations related to those sections and ownership of interests in a California gambling establishment or gambling enterprise, and any applicable successor, replacement, or added laws and regulations.

4. **No Material Change in the Transaction.** *Approval of the transactions should be conditioned upon Mr. Murray's estate and Lowell Murray III, James Murray, and Elizabeth Mirante all confirming, in writing to the Commission, with a copy to the Bureau, within 15 days after the final transfer of shares, that the transactions described above were completed as approved by the Commission.*

B. Commerce Casino:

California Commerce Club, Inc.

Lowell T. Murray Revocable Living Trust For CCC
Stock

Lowell T. Murray III, Trustor, Trustee, Beneficiary
James M. Murray Revocable Living Trust For CCC
Stock

James M. Murray, Trustor, Trustee, Beneficiary
Elizabeth L. Mirante Revocable Living Trust for CCC

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Stock
Elizabeth L. Mirante, Trustor, Trustee, Beneficiary

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial State Gambling Licenses through March 31, 2021.

6. Consideration of A) Transfer of Shares and B) Initial State Gambling License (Pursuant to Business and Professions Code sections 19904, 19850, 19851 and 19852; CCR, Title 4, sections 12054 and 12342):

A. Commerce Casino: California Commerce Club, Inc.
Haig Kelegian, Sr. and Argine Kelegian (Transferors)
Haig Kelegian, Jr. (Transferee)
Mark Kelegian, (Transferee)

Comments Received From:

Haig Kelegian, Jr., in person

Commissioner LaBrie asked Mr. Kelegian if he understands and accepts the conditions to be placed on the Transfer of Shares.

Mr. Kelegian confirmed he accepted and understood the conditions.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Transfer of Shares with the conditions noted below:

1. **Legend on Stock Certificate.** *A copy of the certificate(s) evidencing the shares to be transferred was not provided to the Bureau. Approval of the transfer contemplated by this application is conditioned upon, within 15 days after the closing, the recipient confirming in writing to the Commission, with a copy to the Bureau, that each and every certificate evidencing the shares has been legended in accordance with the provisions of Business and Professions Code section 19882, subdivision (c).*
2. **Additional Legend on Stock Certificate.** *Business and Professions Code section 19904 voids any purported sale or other disposition of a security issued by a corporate licensee that the Commission did not approve in advance. Approval of the transaction contemplated by this application is conditioned upon, within 15 days after the closing, the recipient confirming in writing to the Commission, with a copy to the Bureau, that each and every certificate evidencing the Shares includes the following legend:*

THIS CERTIFICATE REPRESENTS SHARES OF STOCK ISSUED BY A CORPORATION THAT HOLDS A GAMBLING LICENSE PURSUANT TO THE LAWS OF THE STATE OF CALIFORNIA. THE STOCK MAY NOT BE TRANSFERRED, ASSIGNED, SOLD, PLEDGED, HYPOTHECATED, OR DISPOSED OF WITHOUT THE PRIOR APPROVAL OF THE CALIFORNIA GAMBLING CONTROL COMMISSION OR ITS SUCCESSOR.

3. **Transaction Completed as Approved.** *Approval of the transaction is conditioned upon, within 15 days after the closing, the recipient confirming in writing to the Commission, with a copy to the Bureau, that the transaction was completed as approved by the Commission.*

B. Commerce Casino: California Commerce Club, Inc.
Haig Kelegian, Jr., Shareholder
Mark Kelegian, Shareholder

Action:

Upon motion of Commissioner Lacy, seconded by Chairman Evans, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial State Gambling Licenses through March 31, 2021.

7. Consideration of A) Renewal State Gambling License; and, B) Initial State Gambling License (Pursuant to Business and Professions Code sections 19850, 19851, 19852, and 19876; CCR, Title 4, sections 12054, 12342, and 12345):

A. Larry Flynt's Lucky Lady Casino: Casino, LLC
Larry Flynt, Managing Member
Larry Flynt Revocable Trust, Member
Larry Flynt, Trustee, Trustor, Beneficiary

Comments Received From:

Keith Sharp, Designated Agent/Attorney, via telephone
Adi Schnaps, Attorney, Larry Flynt's Lucky Lady Casino, in person
Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Commissioner Lacy asked Mr. Sharp for clarification regarding the current lease. Further, with regard to public benefit and safety, Commissioner Lacy asked for an overview regarding the structural damage of the Casino and inquired who will be responsible for making the decision to reopen.

Mr. Sharp responded that due to the roof collapse being so recent, they are still in the investigation phase of the rebuilding of the casino. Mr. Sharp explained most of the debris has been cleared and structural engineers and other experts assessing the situation to determine the cause and what needs to be done to rehabilitate the structure prior to being able to reopen. Mr. Sharp confirmed that the assets of the casino have been secured, the cash has been moved to bank accounts, and the

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chips have been inventoried and moved to the Hustler Casino, consisting of a dedicated satellite cage for Larry Flynt's Lucky Lady Casino chip redemption program. Lastly, Mr. Sharp confirmed he has been in regular communication with the Bureau and have been keeping the Bureau informed of the progress done in efforts to reopen the casino.

Commissioner Lacy asked inquired about the structural engineers hired to conducting the assessment.

Mr. Sharp deferred to Ms. Schnaps; however, confirmed the structural engineers hired are from a private structural engineering firm.

Commissioner Lacy asked if the structural engineers are being paid by the casino or by the landlord.

Mr. Sharp responded he believes the structural engineers are being paid by the landlord.

Chairman Evans asked Ms. Schnaps what the current involvement of local government is on the process of rebuilding and if there are inspections and certification that must be met prior to reopening to ensure the safety of the public.

Ms. Schnaps stated that the City of Gardena (City) is involved and the City inspector has "Red Tagged" the building (closed the building to the public). The City will not allow the reopening of the building until it is safe to the public.

Commissioner Lacy asked if the public can return once the building has been repaired and the inspector removes the "Red Tag".

Ms. Schnaps confirmed the casino will require City inspector approval prior to allowing people back inside the building.

Commissioner LaBrie asked for clarification if the building can be partially open to the public.

Ms. Schnaps could not confirm details and opined that the inspector will want to confirm that the building in its entirety is safe.

Commission Lacy asked who the current landlord is for Larry Flynt's Lucky Lady Casino.

Mr. Sharp provided a brief history of the previous lease agreements and confirmed Gardena LF, LLC is the current landlord. Further, Designate Agent Sharp confirmed that Gardena LF, LLC is 100% owned by Larry Flynt, and is not required to be licensed.

Assistant Director Morrow stated that the Bureau will remain involved until the casino is open to the public and deemed safe.

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Action:

Upon motion of Commissioner To, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal State Gambling Licenses through July 31, 2021.

B. Larry Flynt's Lucky Lady Casino: Casino, LLC
Adi Schnaps, Secretary, Vice President

Comments Received From:

Adi Schnaps, Attorney, Larry Flynt's Lucky Lady Casino, in person

Chairman Evans noted that Ms. Schnaps is a part-time lecturer at UCLA and inquired with regard to her primary focus.

Ms. Schnaps responded her focus is mainly corporate transactional topics and engaged in discussion regarding current matters present in the industry today.

Action:

Upon motion of Chairman Evans, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial State Gambling License through July 31, 2021.

8. Consideration of Initial State Gambling License (Pursuant to Business and Professions Code sections 19850, 19851, and 19852; CCR, Title 4, sections 12054 and 12342):

Hustler Casino: El Dorado Enterprises, Inc.
Adi Schnaps, Secretary, Vice President

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial State Gambling License through May 31, 2021.

9. Consideration of Renewal of State Gambling License (Pursuant to Business and Professions Code sections 19850, 19852, and 19876; CCR, Title 4, sections 12054 and 12345):

A. Bay 101: Sutter's Place, Inc.
Timothy Bumb, President, Director, Shareholder
Brian Bumb, Secretary, Chief Financial Officer, Director,
Shareholder
Ronald Werner, Vice President, Director, Shareholder
George and Joanne Bumb Revocable Trust, Financial
Interest Holder
Joanne Bumb, Trustee

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and Commissioner To voting yes; the Commission approved the Renewal State Gambling Licenses through July 31, 2021.

C. Golden State Casino: Keith Hoang, Sole Proprietor

Comments Received From:

Keith Hoang, via telephone

Commissioner LaBrie asked Mr. Hoang when the Cardroom will be reopening.

Mr. Hoang responded he is hoping to reopen next year.

Commissioner Lacy asked how many key employees are employed with Golden State Casino.

Mr. Hoang responded he does not have any key employees.

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal State Gambling License through July 31, 2021 with the existing condition noted below:

The Owner-Licensee may not open or offer controlled games until the Bureau of Gambling Control has inspected the cardroom and determined that the cardroom is in compliance with all pertinent regulatory standards.

D. Golden Valley Casino: Golden Valley Casino, LLC
Terry Vargas, Member
Central Valley Gaming, LLC, Member
Jose Fernandez, Managing Member
Philip Rheinschild, Managing Member
Deborah Fernandez, Member
Sara Downs, Member

Comments Received From:

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Assistant Director Morrow noted the Bureau's report indicated there was only one Key Employee; however, confirmed that that there are two existing Key Employees.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal State Gambling Licenses through July 31, 2021 with the existing condition noted below:

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Terry Vargas must not be engaged in the operations of the gambling establishment.

E. Pinnacle Casino: Pinnacle Casino, LLC
Tammy Massa, Managing Member, Sole Member

Comments Received From:

Jarhett Blonien, Designated Agent/Attorney, in person

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Commissioner LaBrie noted the incident involving embezzlement from a Key Employee and asked what steps have been taken to better screen applicants to avoid future issues similar to this.

Mr. Blonien confirmed the embezzlement from the cardroom was from a person employed as the General Manager of the cardroom. Mr. Blonien further stated the employee came highly recommended from another cardroom. Since the incident occurred, Ms. Massa has taken measures so only she can obtain certain chips from the cage. Mr. Blonien reiterated that every employee goes through a background check but if there is no prior criminal conviction, it is difficult to determine if the employee is of good character.

Chairman Evans asked if the employee in question is going through the criminal process.

Mr. Blonien responded that the employee has a warrant for his arrest, has left the county, and there is a rumor that he is currently working somewhere else.

Assistant Director Morrow stated the Bureau relay the information to their Special Agent in charge of Northern California to pinpoint where he might be.

Commissioner Lacy noted there was a brief period of closure and then reopening.

Mr. Blonien responded the cardroom closed for a brief period of time due to the limited amount of approved games.

Assistant Director Morrow stated that the Bureau would appreciate information on closures and reopening of cardrooms.

Commissioner Lacy asked Mr. Blonien if he accepts on behalf of his clients continuing with the existing condition and removing a condition on the License.

Mr. Blonien confirmed he accepts the condition.

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal

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State Gambling Licenses through July 31, 2021 with the existing condition and removing a condition noted below:

1. *Mr. William Massa and Mr. Juan Carrillo cannot be involved in the operation of Pinnacle Casino until they obtain a license.*
2. ~~*Pinnacle Casino may only operate at their current location upon the approval of the lease agreement by the Bureau of Gambling Control.*~~

F. Tres Lounge and Casino: GLCR, Inc.

Kyle Kirkland, President, Director, Shareholder
Dana Messina, Chief Financial Officer, Secretary, Director,
Shareholder

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission referred the Renewal Applications to an evidentiary hearing and will issue an Interim Renewal License valid through July 31, 2021, continuing with the existing condition noted below. The hearing will be consolidated with the presently pending APA hearing for Mr. Kirkland and Mr. Messina.

Tres Lounge and Casino must submit a copy of their business license with the City of Watsonville within 90 days of approval to both the Bureau of Gambling Control and the Commission.

10. Consideration of Initial Portable Personal Key Employee License (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12350):

Rosalina Maldonado

Commissioner LaBrie stated she feels the issue of the late submission of the application was due to the Cardroom and not Ms. Maldonado.

Commissioner Lacy stated that he appreciated the detailed letter from Ms. Maldonado's Designated Agent which supports Ms. Maldonado's application.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Key Employee License through January 31, 2020.

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11. Consideration of A) Initial Portable Personal Key Employee License; and B) Renewal Portable Personal Key Employee License (Pursuant to Business and Professions Code section 19854; CCR, Title 4, sections 12054 and 12350):
A. Daniel Nielsen
B. Daniel Nielsen

Items 11A & 11B were heard together.

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Key Employee License through July 31, 2019, and approved the Renewal Key Employee License through July 31, 2021.

12. Consideration to Withdraw Application for Portable Personal Key Employee License (Pursuant to Business and Professions Code section 19869; Title 4, sections 12015 and 12054):
Calina Khath

Action:

Upon motion of Chairman Evans, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the request to withdraw without prejudice.

13. Consideration of Renewal Work Permit (Pursuant to Business and Professions Code section 19912; CCR, Title 4, sections 12054 and 12104):
Empire Sportsmen's Association: Stephanie Pann

Comments Received From:

Stephanie Pann, in person

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Ms. Pann stated that her debt was paid in full and provided documentation to the Bureau.

Assistant Director Morrow confirmed Stephanie Pann's debt was paid in full.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Renewal Work Permit through July 31, 2021.

14. Consideration of Conversion of Third-Party Providers of Proposition Player Services Registrations to License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218):

A. Blackstone Gaming, LLC:
Player: Liliana Zuniga

Comments Received From:
Liliana Zuniga, via telephone

Commissioner To asked Ms. Zuniga if she accepts and understands the condition placed on her license.

Ms. Zuniga confirmed that she accepts the condition.

Action:

Upon motion of Commissioner To, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021 with the condition noted below:

Beginning September 1, 2019 and every 90 days thereafter, Ms. Zuniga must provide the Bureau of Gambling Control proof of ongoing efforts to resolve her Failure to Pay.

B. Gold Gaming Consultants, Inc.:
Player: Justin Jeffers

Comments Received From:
Justin Jeffers, via telephone

Commissioner LaBrie inquired regarding the steps Mr. Jeffers has taken towards his own personal growth. Mr. Jeffers responded regarding the positive steps he has taken.

Action:

Upon motion of Commissioner Lacy, seconded by Chairman Evans, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021.

C. Knighted Ventures, LLC:
Supervisor: Zechariah Gauna

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021.

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Player: Angel Castellanos

Comments Received From:

Angel Castellanos, via telephone

Commissioner LaBrie asked for clarification regarding Mr. Castellanos's fines with regard to his vehicle infractions.

Mr. Castellanos provided a brief history of his outstanding vehicle infractions.

Commissioner LaBrie asked Mr. Castellanos if he accepts and understands the condition to be placed on his license.

Mr. Castellanos confirmed that he understands the condition.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021 with the condition noted below:

Beginning September 1, 2019, and every 90 days thereafter, Angel Castellanos must provide the Bureau of Gambling Control with proof of efforts to resolve his outstanding Failure to Appear and outstanding fines.

D. L.E. Gaming, Inc.:

Player: Anthony Duval

Deputy Director Alcalá-Beshara informed the Commission that multiple attempts to confirm the applicant's attendance were made by Commission staff, however the applicant did not confirm attendance. The applicant did not announce himself at the meeting.

Action:

Upon motion of Chairman Evans, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021.

E. Majesty Partners, LLC:

Supervisor Zechariah Gauna

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021.

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F. Pacific United Service, Inc.:

Players: i) Teresa Diehl-Govea

Comments Received From:

Teresa Diehl-Govea, via telephone

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person

Commissioner Lacy asked Ms. Diehl-Govea to explain her non-disclosure of criminal conviction on her most recent application.

Ms. Diehl-Govea stated she disclosed her arrest on prior applications and stated she was mixed up on certain questions requiring disclosure of convictions within the last ten years.

Commissioner Lacy stated the arrest was almost 30 years ago and there are discrepancies between what the police report and what Ms. Diehl-Govea wrote on her application.

Commissioner LaBrie noted that Ms. Diehl-Govea disclosed the conviction on her 2013 application, which was well over 10 years since the incident. Commissioner LaBrie the asked why she disclosed the conviction on the 2013 application.

Ms. Diehl-Govea reiterated she disclosed the conviction previously, apologized for not disclosing on her most recent application, and explained she might have misread it while filling out the application quickly.

Commissioner Lacy asked Ms. Diehl-Govea for more information as to why the duration of her past employment with Third-Party Providers was short.

Ms. Diehl-Govea provided a brief history of the Third-Party Providers she has worked for and explained there have been no derogatory employment issues.

Commissioner Lacy stated that Ms. Diehl Govea has been working in controlled gambling industry without incident since 2013.

Chief Counsel Vlaanderen confirmed the Third Party Supplemental application form has not been changed since 2011.

Assistant Director Morrow stated if the applicant is referred to a GCA, the Bureau has court documents.

Chairman Evans stated that the discrepancies regarding Ms. Diehl-Govea's statements are concerning.

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Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission referred the matter to a GCA evidentiary hearing.

ii) Ian Goings

No action was taken on this item. The item was tabled to a future Commission Meeting.

G. PT Gaming, LLC:

Supervisors: i) Berlino Nunag

Action:

Upon motion of Chairman Evans, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021.

ii) Jennifer Shaw

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021.

H. Qualified Player Services, LLC:

Player: Michael Poffenbarger

Comments Received From:

Michael Poffenbarger, via telephone

Commissioner Lacy asked Mr. Poffenbarger if he accepts and understands the condition to be placed on his license.

Mr. Poffenbarger confirmed that he accepts the condition.

Action:

Upon motion of Commissioner Lacy, seconded by Chairman Evans, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy and Commissioner To voting yes; the Commission approved the Initial Conversion License through July 31, 2021 with the condition noted below:

Beginning September 1, 2019, and every 90 days thereafter, Mr. Poffenbarger must submit to the Bureau of Gambling Control proof of efforts to resolve the outstanding fines and Failure to Appear.

15. Consideration of Renewal of Third Party Provider of Proposition Services Licenses (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218.8):

A. Arise, LLC:

Player: Angelica Castillo

Comments Received From:

Angelica Castillo, via telephone

Commissioner LaBrie asked Ms. Castillo if she accepts and understands the condition to be placed on her license.

Ms. Castillo confirmed that she understands and accepts the condition.

Action:

Upon motion of Commissioner LaBrie, seconded by Chairman Evans, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Third Party Renewal License through July 31, 2021 with the condition noted below:

Beginning September 1, 2019, and every 90 days thereafter, Ms. Castillo must provide the Bureau of Gambling Control proof of ongoing efforts to resolve her Failure to Pay.

B. Gaming Fund Group, Inc.:

Player: Nathan Nelson

Action:

Upon motion of Chairman Evans, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved a 90-day extension through October 31, 2019.

C. Knighted Ventures, LLC:

Player: Christian Jemison

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission deemed the Renewal Application abandoned.

D. Pacific United Service, Inc.:

Player: Raelyn Marrufo

Comments Received From:

Raelyn Marrufo, via telephone

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Commissioner Lacy asked Ms. Marrufo what her outstanding balance of outstanding fines is and if she accepts and understands the condition to be placed on her license.

Ms. Marrufo stated her outstanding balance is \$664 and confirmed she accepts and understands the condition.

Action:

Upon motion of Commissioner Lacy, seconded by Commissioner LaBrie, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission approved the Third Party Renewal License through July 31, 2021 with the condition noted below:

Beginning September 1, 2019, and every 90 days thereafter, Raelyn Marrufo must provide the Bureau of Gambling Control with proof of efforts to satisfy her outstanding court fines.

16. Consideration of Tribal-State Compact Initial Finding of Suitability as a Tribal Key Employee (Pursuant to the Tribal-State Gaming Compact):

Rain Rock Casino – Karuk Tribe:

Tobias Morales III

Comments Received From:

Tobias Morales III, via telephone

Yolanda Morrow, Assistant Director, Bureau of Gambling Control, in person

Todd Vlaanderen, Chief Counsel, Gambling Control Commission, in person

Mr. Morales provided a brief history of his efforts to have the condition placed on his Tribal Gaming License removed by the Karuk Tribal Gaming Agency (TGA).

Assistant Director Morrow stated that the Bureau contacted the TGA on the July 22, 2019 and asked to update them on Mr. Tobias' application and did not receive a response.

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner Lacy, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy, and Commissioner To voting yes; the Commission deemed the Initial Application abandoned.

17. Consideration of Tribal-State Compact Renewal Finding of Suitability as a Gaming Resource Supplier (Pursuant to the Tribal-State Gaming Compacts):

JCM American Corporation
dba JCM Global (JAC):

Japan Cash Machine Co., Ltd, Parent Company (JCM)
Koichiro Kamihigshi, Chairman of JCM
Yojiro Kamihigashi, Chairman of JAC and President of JCM
Hisashi Maki, Executive Director of JCM

Action:

Upon motion of Chairman Evans, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy and Commissioner To voting yes; the Commission approved the Renewal Finding of Suitability through July 31, 2021, excluding Hisashi Maki, deeming his Renewal Application abandoned.

18. Consideration of Proposed Stipulated Settlements (Pursuant to Title 4, California Code of Regulations section 12552):

In the Matter of the Accusation Against David La, (BGC No. BGC-HQ2013-00001PC, OAH No. 2013120253)

No action was taken. The item was tabled to the August 29, 2019 Commission Meeting.

CONSENT CALENDAR ITEMS:

19. Consideration of Initial Work Permit (Pursuant to Business and Professions Code section 19912; CCR, Title 4, sections 12054 and 12104):

Empire Sportsmen's Association: Eric Watkins

20. Consideration of Renewal Work Permit (Pursuant to Business and Professions Code section 19912; CCR, Title 4, sections 12054 and 12104):

Parkwest Casino Sonoma: Elvis William

21. Consideration of Conversion of Third-Party Providers of Proposition Player Services Registrations to License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218):

A. Acme Player Services, LLC:

Player: Joel Jover

B. Arise, LLC:

Player: Fatima Ogundimo

C. Blackstone Gaming, LLC:

Players: Blanca Navarro Trung Hoang

D. Certified Players, Inc.:

Player: Antonio Lopez

E. Fortune Players Group, Inc.:

Players: Zhenyi Chen Shaoyun Feng Luzviminda Lamiao
Fernando Manansala

F. Gold Gaming Consultants, Inc.:

Players: Kang Chang Chenoa Summers

G. Knighted Ventures, LLC:

Players: Wan Battin Stephen Bell Priscilla Beltran
Sabrina Castillo Maricruz Castro Barriga Juancho Cochico
Elizabeth Garnica Jonathan Gil Borana Haxhijahja
Brisa Hilario Denise Johnson Chris Lee
David Lofty, Jr. Natalie Lopez Adelena Martinez
Tram Phung Octavio Pureco Marin Jan Emmanuel Reveche

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- | | | | |
|------------------------------------|--------------------------|-------------------|------------------------|
| | Jose Rodriguez | Jasmine Simon | Andrew Spoonamore |
| | Matthew Stearns | Anthony Swanson | Vans Thao |
| | Raymond Ungson | Ryan Vang | Karen Yang |
| H. L.E. Gaming, Inc.: | | | |
| Players: | Albino Bastida | Mitchell Freeman | Janiel Luster |
| | Nicole Roberts | Mackenna Sullivan | |
| I. Metis TPS, LLC: | | | |
| Players: | Wing Sze Au | YanQun Fang | Maria Habib |
| | Xian Qiang Li | Yan Liang | Rongmin Pan |
| | Chantha Seng | Sizhou Wang | Yan Wen |
| | Darien Williams McFadden | | Po Lan Wong |
| | XueMei Wu | FeiFan You | QiuHu Zhang |
| | Guangfu Xu | Wei Rui Xu | |
| J. Pacific United Service, Inc.: | | | |
| Players: | Juan Cervantes Jr. | Rodaniel Choy | Aristotle Jalalianfard |
| | Haiwen Li | Jeanne Usher | Jessica Zavala |
| K. Premier Player Providers, Inc.: | | | |
| Player: | John Ho | | |
| L. PT Gaming, LLC: | | | |
| Players: | Jose Ascencio Paniagua | | Shobha BK |
| | Matthew Cahalan | Christian Cole | DeAnna Collins |
| | Jordan Edwards | Guiming Fu | Desiree Garcia |
| | Zenobia Harrison | Meng Her | Joanna Maville Portelo |
| | Dale Rivera | Thalia Sanchez | See Xiong |
| | Jing Yang | | |

22. Consideration of Renewal of Third-Party Providers of Proposition Player Services License (Pursuant to Business and Professions Code section 19984; CCR, Title 4, sections 12054 and 12218.8):

- A. Acme Player Services, LLC:
Player: Raul Juarez, Jr.
- B. Pacific United Service, Inc.:
- | | | | |
|----------|-----------------------|----------------|------------|
| Players: | Amber Bagley-Flores | Xue Fan | Gary House |
| | Yojana Lainez Fuentes | Jashley Medina | |

23. Consideration of Renewal Tribal-State Compact Key Employee Finding of Suitability (Pursuant to the Tribal-State Gaming Compact):

- A. Barona Resort and Casino - Barona Group of Capitan Grande Band of Mission Indians:
Brian Ferguson
- B. Bear River Casino Hotel - Bear River Band of the Rohnerville Rancheria:
George Claus Jr
- C. Blue Lake Casino and Hotel - Blue Lake Rancheria:
Cacy Parker
- D. Chicken Ranch Casino - Chicken Ranch Rancheria of Me-Wuk Indians:
Samuel Blackford
- E. Chukchansi Gold Resort and Casino - Picayune Rancheria of Chukchansi Indians:

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- Marcku Domingo Stephanie Granado Carter Kinsman
Chiela Moreno Khammanee Ouanoulack Christie Petrie
- F. Chumash Casino Resort - Santa Ynez Band of Chumash Mission Indians of the Santa Ynez Reservation:
Sean Foy Linda Hughes Paul Kaatz
Kristina Lajda Serhiy Petryshak Edgar Romo-Marquez
Mark Ullstrom
- G. Colusa Casino Resort - Cachil DeHe Band of Wintun Indians of the Colusa Indian Community of the Colusa Rancheria:
Stephanie Gore
- H. Coyote Valley Casino - Coyote Valley Band of Pomo Indians:
William Strandvold
- I. Diamond Mountain Casino & Hotel - Susanville Indian Rancheria:
Jacqueline Frank
- J. Eagle Mountain Casino - Tule River Indian Tribe of the Tule River Reservation:
Paul Manuel
- K. Graton Resort & Casino - Federated Indians of Graton Rancheria:
Molyta Chey Sergio Garcia Alina Lee
Diego Maca Andrew Malaspina Vincent Miller
Bui Nguyen Todd Patterson Suraj Pokharel
Yogendra Pradhan Yoeun Sam Sara Sawyer
Deborah Steele Thomas Stevens Jianli Su
Nathan Tournahu Bryan Tran Jonathan Viale
Gerardo Zavala
- L. Harrah's Resort Southern California - Rincon Band of Luiseno Mission Indians of the Rincon Reservation:
Paul Ashley David Ertley Jose Espinoza Salazar
Jesus Villalobos
- M. Jackson Rancheria Casino Resort - Jackson Rancheria of Me-Wuk Indians:
Lawrence Wallage Elizabeth Woods
- N. Mono Wind Casino - Big Sandy Rancheria Band of Western Mono Indians:
Victoria Johnson
- O. Morongo Casino Resort and Spa - Morongo Band of Mission Indians:
Thomas Deisenhammer Edward Faggart Diana Felix
Christopher Naud Christopher Ng Roger Ray
Roger Smith Romel Tintero Fred Toro Jr.
- P. Pala Casino Spa and Resort - Pala Band of Luiseno Mission Indians of the Pala Reservation:
Robert Aguilar Jerome Arapeles Eric Byrns
Dana First Lilianflor Moreno Noemi Rosales
Timothy Sheehan III
- Q. Pechanga Resort & Casino - Pechanga Band of Luiseno Mission Indians of the Pechanga Reservation:
Susana Briones Eusebio Ganal Eddie Ho
Kimberly Jess Johnathan Kulp Corazon Leonida
Manuel Nedic Teimoor Oraha Andrew Rayonez
Daniel Rojas Sanchez Anthony Sauve Anita Stevenson
Yasser Tamarit Olivera Chynna Watson

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- R. Red Hawk Casino - Shingle Springs Band of Miwok Indians, Shingle Springs Rancheria:
Lukas Fletcher
- S. River Rock Casino - Dry Creek Rancheria Band of Pomo Indians:
Timothy DeLugo Jason Martinez Daniel Pellegrini
- T. San Manuel Casino - San Manuel Band of Mission Indians:
Louis Lugo III
- U. Soboba Casino Resort - Soboba Band of Luiseno Indians:
Elena Carriere Michael Taylor
- V. Table Mountain Casino - Table Mountain Rancheria:
Matthew Makaroff Janphet Phattavong Vantha Sea
- W. Tachi Palace Hotel and Casino - Santa Rosa Indian Community:
Jorge Aguilar Zenaida Bautista Sue Kayarath
Jaime Villagomez
- X. Thunder Valley Casino Resort - United Auburn Indian Community of the Auburn Rancheria:
Caelen Klopson Maidor Lee Feuy Saetern
Pa Nhia Yang
- Y. Twin Pine Casino & Hotel - Middletown Rancheria of Pomo Indians:
Joben Daughtery
- Z. Valley View Casino & Hotel - San Pasqua! Band of Diegueno Mission Indians:
David Davis
- AA.Viejas Casino and Resort - Viejas Group of Capitan Grande Band of Mission Indians of the Viejas Reservation:
Kirk Hardin Jose Eugene Magadia Kelly McMaster
Sharie Rose Soriano Nelson Truong Isabel Valencia
Helen Valenzuela
- BB.Win-River Casino - Redding Rancheria:
Randall Duncan Darlene Etchison Nathan McNeal

Action:

Upon motion of Commissioner LaBrie, seconded by Commissioner To, and carried in a vote by roll call with Chairman Evans, Commissioner LaBrie, Commissioner Lacy and Commissioner To voting yes; the Commission approved the Consent Calendar items 19 through 23.

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA:

None.

CLOSED SESSION DISCLOSURE:

- II. Hearing Deliberations Pursuant to Government Code section 11126(c)(3):
 - C. In the Matter of the Application for Approval of State Gambling License for Sahara Dunes Casino, LP, dba Lake Elsinore Hotel and Casino; Ted Kingston; Joseph Kingston; and Sahara Dunes Management, Inc. (OAH No.2017070210)
 - D. In the Matter of the Application for Approval of Third-Party Proposition Player Services License for Chi K. Tea, (CGCC-2018-0510-7Av)

Items IIC and IID were to be discussed in Closed Session.

CLOSED SESSION:

- I. Litigation (Government Code section 11126(e)):
 - A. *Stand Up For California, et al. v. State of California, et al.*, Madera County Superior Court (MCV062850)
 - B. *Eric G. Swallow v. California Gambling Control Commission*, Sacramento County Superior Court (34-2016-800002402)
 - C. *Garden City, Inc. v. Eric Swallow*, Sacramento County Superior Court (34-2016-00198132)
 - D. *Lucky Chances, Inc. v. California Gambling Control Commission*, Sacramento County Superior Court (34-2017-80002549)
 - E. *Rene Medina v. Xavier Becerra, Jim Evans, et al.*; United States District Court, Northern District of California (17-cv-03293 KAW)
 - F. *California Valley Miwok Tribe v. California Gambling Control Commission et al.*; San Diego County Superior Court (37-2017-00050038-MU-CO-CTL)
 - G. *Tongtoua Yang v. California Gambling Control Commission et al.*; Sacramento County Superior Court (34-2017-80002744)
 - H. *Callaye Jo Strauss v. California Gambling Control Commission*, Sacramento County Superior Court (34-2018-800028)
 - I. *Yavapai-Apache Nation v. La Posta Band of Diegueno Mission Indians and California Gambling Control Commission*, Sacramento Superior Court (34-2018-00238711)
 - J. *Manuel Corrales, Jr. v. California Gambling Control Commission*, San Diego County Superior Court (37-2019-00019079-CU-MC-CTL)
 - K. *Kris Kat, LLC and Steven C. Ayers v. California Gambling Control Commission*, Sacramento County Superior Court (34-2019-80003142)
- II. Hearing Deliberations Pursuant to Government Code section 11126(c)(3):
 - A. In the Matter of the Accusation and Statement of Issues Against Lucky Chances, Inc., Rommel Medina, Ruell Medina, (OAH No.201511046), (GCADS-GEWP-002630)
 - B. In the Matter of the Application for Approval of State Gambling License for Kris Kat, LLC, and Steven C. Ayers, (CGCC-2018-0111-5A)
 - C. In the Matter of the Application for Approval of State Gambling License for Sahara Dunes Casino, LP, dba Lake Elsinore Hotel and Casino; Ted Kingston; Joseph Kingston; and Sahara Dunes Management, Inc. (OAH No.2017070210)
 - D. In the Matter of the Application for Approval of Third-Party Proposition Player Services License for Chi K. Tea, (CGCC-2018-0510-7Av)
 - E. In the Matter of the Application for Approval of Third-Party Proposition Player Services Supervisor License for Elena Del Carmen Drouillard, (CGCC-2019-0207-8A)
 - F. In the Matter of the Accusation Against David La, (BGC No. BGC-HQ2013-00001PC, OAH No. 2013120253)

ADJOURNMENT:

Chairman Evans Adjourned the Commission Meeting into Closed Session at 11:50 AM. No further information was given.